

## **Attachment 22**

### **SINGLE AUDIT ACT COMPLIANCE**

The Single Audit Act and Office of Management and Budget (OMB) Circular A-133, ***Audits of States, Local Governments, and Non-Profit Organizations***, require entities that expend equal to or in excess of \$500,000 in a fiscal year to have an audit performed in accordance with the Single Audit Act.

To be considered for funding from the California Energy Commission (Energy Commission), entities must be in compliance with the Single Audit Act. Accordingly, before submitting of your application for funding to the California Energy Commission, please ensure that you are in compliance with the Single Audit Act and cleared with the State Controller's Office. The Energy Commission will verify your status at the time of application with the State Controller's Office (SCO) to determine your eligibility.

### **SINGLE AUDIT REQUIREMENTS**

1. If the entity expends less than \$500,000 in federal funds, it is required to submit an Exemption Notification Letter to the SCO.
2. If the entity expends over \$500,000 in federal funds but does not include any State pass-through funds, the entity may submit the audit report or an explanation letter to the SCO. The SCO will issue a "No Review Letter" to the entity in return.
3. If the entity expends over \$500,000 in federal funds and that amount includes any amount of State pass-through funds, then the SCO requires a complete Single Audit Reporting Package (consisting of the required report contents listed in this notice) be submitted to it for review. Reports are reviewed on a first-in, first-out basis.

Please mail Single Audit submissions to:

State Controller's Office  
Division of Audits  
Financial Audits Bureau/Single Audits Unit  
P.O. Box 942850  
Sacramento, CA 94250-5874

The single audit reports are due the earlier of 30 days after receipt of the audit or nine months after the end of your fiscal year (i.e. March 31, 2009).

## WHAT TO EXPECT FROM THE STATE CONTROLLER'S OFFICE

After completion of the SCO's desk review, the entity will receive one of two letters from the SCO:

- **Single Audit Certification Letter** - If the SCO determines that the report meets the requirements of OMB Circular A-133, then a Single Audit Certification Letter will be mailed to the entity.
- **Single Audit Rejection Letter** - If the SCO determines that the report does not meet the requirements of OMB Circular A-133 because exceptions were noted, then a Single Audit Rejection Letter listing the exceptions will be mailed to the CPA who performed the single audit requesting they correct the exceptions and submit a revised report or revision to the SCO. A courtesy copy of the rejection letter will be mailed to the entity. Once the revision is received and the report is accepted, the SCO will mail the Single Audit Certification Letter to the entity.

Note that all letters and correspondence mailed from the SCO are addressed to the Auditor-Controller, Finance Director or Special District. Please consult with these officials or your agency's finance department for a copy of these letters before contacting the SCO for a replacement copy. Direct all single audit inquiries via email to [singleaudits@sco.ca.gov](mailto:singleaudits@sco.ca.gov) or by phone at (916) 324-6442.

## SUMMARY OF REPORT CONTENTS

The single audit reporting package is a collection of several documents. A complete single audit reporting package includes up to nine key parts. All applicable parts must be submitted before the State Controller's Office can process the reporting package. These parts are:

1. Independent Auditor's Report
2. Basic Financial Statements
3. Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*
4. Report on Compliance With Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance With OMB Circular A-133
5. Schedule of Expenditures of Federal Awards
6. Schedule of Findings and Questioned Costs
7. Summary Schedule of Prior Audit Findings (If no findings were identified then state "No Findings")
8. Corrective Action Plan
9. Report to Management (Management Letter)\*

\* Only required if issued by CPA

The Comprehensive Annual Financial Report (or if applicable, financial statement report) is required. If the Comprehensive Annual Financial Report and single audit report are separate reports, then both reports must be submitted to the State Controller's Office. If both reports are not submitted, the single audit reporting package will be considered incomplete.

**Only one complete single audit reporting package is required. Entities are no longer required to submit a single audit reporting package for each pass-through entity. Report packages may be submitted to the SCO on a CD, providing the report is in a PDF file format and includes the independent auditor's electronic signature.**